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WASHINGTON.

THE SANBORN CONTRACT FRAUDS.

IMPORTANT DEVELOPMENTS - ACKNOWLEDGEMENTS DISTRICT ATTORNEY BLISS-HOW SANBORN OBTAINED INFORMATION REGARDING LEGACY AND SUCCESSION TAXES-SOLICTOR BANFIELD MAKES A BAD RECORD FOR HIMSELF AND THE TREASURY DEPARTMENT - IMPORTANT PAPERS STILL WITHHELD BY SECRETARY RICHARDSON-SANBORN REFUSES TO MAKE HIS PROMISED

[BY TELEGRAPH TO THE TRIBUNE.] WASHINGTON, March 25 -This was a bad day for the Treasury officers, and not particularly agreeable to Mr. John D. Sanborn and his eminent counsel. It has been thought that the investigation by the Ways and Means Committee into the Sanborn contract business was near its end, but the developments to-day were of such a character that the premise is fair for a long inquiry. To-day has been also rather unfavorable for volunteer witnesses. Mr. Banneld, Solicitor of the Treasury, did not himself volunteer, but his chief did, and the result to both is most disastrous. Mr. Sanborn was also a volunteer. No member of the Committee had asked to have him called, but he felt like setting himself right, and so asked to be permitted to tell all about it. No sooner is be bere, however, than he changes his mind and thinks that by making his statement he may criminate himself, and he presents a lawyer and says he is acting under the instruction of his counsel.

District-Attorney Bliss was the first to be heard He spoke with his usual alertness, but his state ment did not help the case of Sanbern. It was plain from the start that Bliss had not lost any opportunity to turn an honest penny. He had been of great service to Sanborn, and had been paid for it. Instead of Mr. Sanborn "assisting" the proper officers, as directed by the law, this "proper officer," Mr. Bliss, assisted Sanborn, and received 5 per cent for it. Blass said there was no law authorizing it, nor no law preventing it. His attention was directed to that portion of the law where the assistance is spoken of, and he finally acknowledged that in some cases he had been subordinate to Sanborn. This was regarded by the Committee as exceedingly strange, as Mr. Sanborn was simply a contractor of the Government and not an officer, and the law of May 8, 1972, by analogy, prevented the District-Attorney from assisting Sauborn. Bliss took part in cases which related exclusively to legacy and succession taxes. He received 5 per cent while Sanborn received 50; but Bliss said he would take money whenever he could earn it, differing in that respect only, he said, from members of Congress. He collected \$64,000 through his office. It was brought out that he received through Jayne \$12,000; that he receives \$6,000 as a regular salary from the Government, and now, in the Sanborn business has made \$3,300, which, together, make an income of \$21,300. Mr. Beck said he was evidently getting along pretty well. It was shown -what has been before charged-that the cases collected through the District-Attorney at an expense to the Government of 50 per cent were matters of record in the public offices, and might have been just as well collected by the internal revenue officers, without any expense whatever. Bliss acknowledged that he did not bring suit in a single case, but that the cases were privately settled and the money sent to the Secretary of the Treasury, who sent the half back to Sanborn. It was also shown that if Sanborn or his accomplices had a name of a man on their lists, and had informed the "proper officers" of the fact, the money derived from him must be credited to Sanborn's collections, even though no step was taken by Samborn or his men, and the delinquent went voluntarily and paid the amount of taxes due. Fifty per cent of this went to Sanborn, even though he did not lift a

Bliss, before he left the stand, acknowledged that 50 per cent on legacy and succession taxes was rather large; at least, he said, if he were Secretary of the Treasury he should not feel authorized in paying that amount. The course of Sanborn was illustrated by Bliss. The former obtained from a man named Waddell a very large list of names from the Sarrogate's office. He is alleged to have paid a good price for it. This list was compared with the records in the revenue office and corrected, and those whose taxes had not been paid were turned over to Bliss and his associates. All Sanborn did to over to Bliss and his associates. All Sanborn did to earn his 50 per cent, less Bliss's fee, and that, perhaps, of Coughlin, was to furnish the list, and the money continued to roll into his pockets from the Treasury. Bliss, during his statement, made some reference to Judge Noah Davis, and said he was willing to stand by the judgment of the country on

their relative positions. Solicitor Banfield made a very bad showing for himself, for the Treasury Department, and also for Mr. Richardson. Such clear and repeated violations of the laws had not been developed before the Committee as he laid bare under the adroit crossexamination of Mr. Beck. Mr. Banfield said that the policy of the Treasury Department for years bas been against contracts, and he cited several made by former Secretaries, in some cases a rate of 80 per cent being paid for collection. He said the Department always refused to make contracts unless we (meaning probably the Secretary and himself) were closely and frequently pressed by influential persons; in a word, that it was very difficult to obtain contracts from the Department, and that all applications were "pigeon-holed," and no attention paid to them. This was probably what was done in the case of the Union Pacific Railroad and Judge Pendry, and the application of Coughlin to collect for 15 per cent the same taxes the Government pays Sauborn 50 per cent for collecting. All declare that Coughlin is an expert, and he really has done the work for Sanborn at 121 per cent. When asked subsequently what influence Sanborn brought to bear to obtain his contract, he answered that he did not bring any; yet the Secretary gave Sanborn a contract for 50 per cent and refused Coughlin one at 15 per cent. This manner of letting contracts will be etill further inquired into, and the Committee will endeavor to find out the reason for such discrimination. Banfield said the Department had been many times'appealed to to make contracts of the nature of those with Sanborn, long before the law was passed in 1872. In 1870 the law first authorizing contracts was passed. This law referred only to "derelict" property in States lately in rebellion, but under this law contracts were sought of the nature of Sanborn's. The day after the act of May 8, 1872, passed, Mr. Banfield said that Judge Kelsey of New-York, who had just gone out of Congress, appeared at the Treasury Department and asked for a contract. Both the Secretary and himself thought it would be to wait a few days to consider the subject. Finally, it was decided to give Kelsey the contract be ap plied for, which related to the street railways in

Philadelphia. This was the first contract under the law. It was several months afterwards when the agreements were made with Mr. Sanborn. Kelsey, according to Banfield, claimed to be the "patentee" or originator of the law. Kelsey, however, met with obstacles and never realized a cent out of his contract. Sanborn's first was a whisky case, from which he collected \$1,000. One bad feature in the system, as elicited by Banfield's examination, is that in relation to Sanborn's assistants. These were furnished by the Treasury Department, with certain papers giving them a character which they did not possess. Two men especially, Presbury and Greer, were furnished with

re which might give private citizens a false idea

pay from the Government, they were

of their power. While these two men had no power

or authority whatever, and were not even

employée of the Government and received

nevertheless furnished with papers of an official character indicating that they belonged to the Secret Service Division of the Treasury Department. With these papers they might have been, had they tried, very successful in levying blackmail. They might have been more potent than Javue's handcuffs. Mr. Banfield acknowledged that these papers were given to enable the men to perform their work" with greater case. He was very sharply questioned by Mr. Beck as to why these letters or papers to Presbury and Greer were not included in the papers sent to the House. No satisfactory answer was given, and the Solicitor appeared to very bad advantage.

At this point, Mr. Beck, with much show of tem per, called his attention to the fact that the Com mittee had four times called for all the papers relating to the Sanborn business, and yet it seems that all have not been furnished; that something appears to have been held back. The letters to Presbury and Greer were very important, and why asked Mr. Beck, were they not furnished? Mr. Banfield said he had forgotten all about them; that the papers in the case were in several different plicit directions. The non-production of these letters and the discovery of their existence created a profound impression on the Committee, and it is generally conceded by those who heard it that the case daily looks darker for Secretary Richardson and the Solicitor. Another point which made much impression on the Committee was that either he or the Secretary had issued orders preventing Collectors from receiving taxes in cases which were on the books of Sanborn. In the expressive language of a member of the Committee in addressing Banfield. "Your instructions prohibited Collectors from performing the duties imposed on them by law." All Mr. Banfield could say was that it was an anom alous law and required anomalous treatment.

The most striking portion of the examination to day, however, was when Sanborn himself was called. He had sat through the trying examination of Banhad been in constant session since 10 o'clock, and it was then three. Mr. Sanborn stood at the end of the table, and his counsel, Judge Woodbridge of Vermont, ex-member of the House, was at his right, It must be remembered that Sanborn asked to be heard by the Committee, in order to protect his character. He spoke with great deliberation two or three sentences, and appeared in no sense the smart, quick, and deserving detective that His actions and words were stupid enough, from some cause or other. He said he had prepared a long statement, giving all the facts and telling his whole connection with the contract, but he said he had heard that there was a man present who wanted to trap him into some admissions to be used in suits in Brooklyn, and he did not want to make any admissions that would criminate himself. This was regarded on all sides as the most pitiful evasion that was ever attempted. He said his counsel would not allow him to make his statement, but he was himself very anxious to do so. His counsel said that if there was nobody present but the members of the Committee, the whole matter would be laid bare. Sanborn had previously said he had learned, what everybody already had known for weeks, that he had been in dicted, and it would not do for him to make his statement. His counsel, in view of the course events were likely to take after the testimony today, wisely sought an adjournment. The Committee generously complied with the request, for they can afford to wait a day or so, as they are sure of their case in the end. Sanborn, when he first took his position, said he did not help to get the law passed, and did not know of its passage for two months, and he did not know any of the persons who had got contracts of a like nature. He was, at the time a special agent of the Treasury Department, but, by the advice of friends, resigned. He had devoted great labor to the business he was now

PROBABLE PASSAGE OF THE M'CRARY TRANSPORTA-TION BILL BY THE HOUSE. BY TELEGRAPH TO THE TRIBUNE.

WASHINGTON, March 25 .- The McCrary Transportation bill won a victory to-day that was to all appearances a sure precursor of its passage to-morrow. After three hours of debate, during which Mr. George F. Hoar made a speech in favor of the bill. which, as coming from a prominent New-England representative, was more effective than a dozen Granger" speeches, the previous question was seconded and the main question ordered by large majorities. This cut off all amendments, and drove into the ranks of the supporters of the measure all those who had rival bills or amendments perfect, as they thought, the pending one, but who preferred to take the McCrary bill as it was, than have the principle of Government regulation of railroads suffer a defeat. A Yea and Nay vote was forthwith taken on a motion to lay the bill upon the table, and the motion was lost, by 95 to 127. After this the House adjourned, leaving the vote on final passage to come up in the morning. The opposition to the bill, with the exception of two or three able speeches, has been feeble and irresolute throughout the whole discussion, and its opponents appear to have trusted to the supposed conservative sense of the House to take alarm at the startling innovation the measure proposes and defeat it in the end. They greatly underestimated the strength of the cheap transportation movement, and their miscalculation was owing largely to the too great importance they attributed to the refusal of nearly all the old leaders on both sides of the House to take part in the discussion. They forgot that the House contains a majority of raw recruits, who are unreasonably jealous of these former leaders, and who delight in showing their independence of them. No influence of any kind appears to have been brought to bear against the bill by the railway companies. It is alleged on one side that they have purposely reserved their efforts for the Senate, as the easiest body to control; and on the other that they are indifferent to the passage of the bill, because confident that it will prove

CURRENT TOPICS AT THE CAPITAL. THE DISTRICT INVESTIGATION.

WASHINGTON, Wednesday, March 25, 1874. In the District investigation to-day John Collins, a contractor for work under the Board of Public Works, testified that he had done a large quantity of work in the First Ward of the city. His first contract was to arrange terraces, set coping, stone steps, &c., and, as it was impossible to estimate in advance the cost of the work, he was to have 12 per cent profit on the labor and material expended, and enough salary to make the percentage 15 He also took a contract to raise some houses, and a it was necessary that some sewers should be put down in Twenty-first-st. at the same time, he was ordered by the Board to construct them. There was a written contract for this sewer-work, he said. The counsel then called for Contract No. 525, which covered this work, and it was placed in the hands of the witness. It bore date Sept. 17, 1871. The witness was witness. It bore date Sept. 17, 1871. The witness was asked when he signed the contract, and he replied about three weeks ago. The surety to the bond for a faithful performance of the contract was one Mr. Blunt. Mr. Collins said that he supposed that hinnt signed the bond on the same day that the contract was signed, as he met Mr. Blunt going note the building as he was coming out, and asked him to sign it. The work covered by this contract was NEW-YORK, THURSDAY, MARCH 26, 1874.-TRIPLE SHEET.

done more than 15 months ago, and the work was settled for by the Board soon after. The contract and bond were executed since this Committee was organized and since the Board was called upon to produce the original contracts under which work was done. Ex-Mayor Bowen testified as to the prices paid under his administration, and the manner of awarding contracts. Other witnesses were examined, but no important facts were elicited.

THE BANKING AND CURRENCY COMMITTEE'S FREE BANKING BILL.

FREE BANKING BILL Mr. Maynard will make an effort to get up the free banking bill of the Committee on Banking and Currency, as soon as the transportation bill is out of the way, but the House is disposed to wait awhile and see what the effect is of the dose of inflation it gave the country on Monday in the \$400,000,000 bill. before undertaking any more financial legislation. It is probable that Mr. Maynard's bill will be allowed to sleep undisturbed upon the calendar while the appropriation bills run their tedious course. There is still a month's solid work to be done on this necessary legislation.

For Regular Report of Congressional Proceedings see Eighth Page. THE MASSACHUSETTS SENATORIAL

DAWES GAINS ONLY THREE VOTES OVER HOAR-HIS SUPPORTERS SAVAGE-THE DEMOCRATS STILL UNITED-BANKS'S CHANCES-A DISASTROUS CAU-

[BY TELEGRAPH TO THE TRIBUNE.] Boston, March 25 .- To-day has brought Mr. Dawes another bad defeat. All he has gained in the effort to concentrate the scattering votes of yesterday is nine, twenty being the least claimed for him in advance. His net gain upon Judge Hear is just three votes. This is a second severe disappointment to his friends. They were cross last night, they are savage to-day. Veryugly talk is heard, and they threaten to give the State to Butler in the Autumn. The Hoar men stand firm and are not frightened. Speaker Sanford voted for Hoar to-day, which puts him out of the list of compromise candidates. The name of ex-Gov. Emory Washburn is suggested, but his time has not yet come.

There will probably be little if any change in the vote -morrow. The Democrats stick closely together and hold the entire party with one exception, but their se strongly denied. Banks himself still votes for Whittier. There is a rumor that Dawes will withdraw from the contest to-morrow or next day, from which the Hoar nen gain some encouragement, but they are generally not confident.

LATER .- The caucuses of last night and to-night have both been managed by the Butler wing of the Dawes party, and that of this evening was even more disastrous to the cause and the party than the abortive effort of last night. At the meeting to-night there were only about 55 members present, and they were nearly all Dawes men. Two of these spoke about their candidate's special claims on account of his long services. Then Mr. Phillips of Salem, a friend of Mr. Hoar, told some truths, which were pretty unpalatable to the other side. He was a friend of Mr. Dawes, and voted for him last year, but the men who opposed last year the Federal myrmidon's hirolings were now lobbying for him. Mr. Dawes should be opposed on that account, if for no other reason. Only that speaker, told him that he had been teased and urged and implored by Federal officials to vote for Mr. Dawes. He canted it to be understood that the Republicans of Massachusetts would take no advice from mimons of the Government. The friends of Mr. Hoar put forward no claim for services, but urged him on account of his

This address inflamed the gathering, and heated and bitter speeches were made on both sides. Hoar was with representing the upper classes, while Dawes was of the people, and some of his champions went almost so far as to claim that he was poor boy." The meeting broke without baving accomplished anything except to widen the breach between the two factions, and to render it almost impossible that either of their leaders should receive the nomination. There is active can vassing to-night to see who the third man; shall be, but no man can name any one who has any good show of

The following letter to Senator E. H. Leonard of Pitt+

The changes in vote to-day are shown in the following

statement:

Dawes gained six from Sanford and one each from exGov. Clifford, Joshua B. Smith, Judge Devens, Charles
Hale, Wendell Phillips, and Charles Francis Adams.
Hoar gained five from Sanford, two each from Washburn,
Joshua B. Smith, and Speaker Sanford, and one from
Dawes. Curtis gained one from Hoar and one from
Adams. Banks gained two from Sanford,

RESULT OF THE JOINT BALLOT. Boston, March 24 .- The joint ballot in the Legislature at noon to-day for United States Senator re-

Dawes, 87; Hoar, 82; Curtis, 74; Adams, 13; Banks, 5; Sanford, Whittler, Wendell Phillips, and Bullock had one or two votes each. The total vote was 281.

FOREIGN NEWS.

THE CARLIST WAR. THE TROOPS UNDER GEN. LOMA DISEMBARKED NEAR

SANTANDER-A SMALL REPUBLICAN FORCE DE-BAYONNE, Wednesday, March 25, 1874. The Spanish Republican troops under Gen.

Loma have disembarked at Castro-Urdiales, 27 miles east of Santander. The Carlists under Gen. Sabalis have routed a force of

Republicans under Col. Roulile at Tordera. It is said the Republicans lost 300 men killed. A NEW ATLANTIC CABLE. LONDON, Wednesday, March 25, 1874. The Great Eastern will start in August to

lay the Portuguese Telegraph Cable from St. Vincent, in the Cape Verde Islands, to Pernambuco, Brazil. THE CUBAN INSURRECTION.

ENGAGEMENTS WITH THE UNITED FORCES OF THE INSURGENTS. HAVANA, March 25 .- The Vos de Cuba re-

ports that a fight occurred at Guasimoclara, near Puerto Principe, between Arminan's brigade and the united rebel forces commanded by Maximo Gomez. On receipt of the news at Puerto Principe, Geo. Bascones, with two battalions, left town to assist Arminan. Bascones had two encounters with the enemy before reaching the scene of the former action.

RACING IN ENGLAND. THE RACE FOR THE LINCOLNSHIRE HANDICAP WON BY TOMAHAWK.

LONDON, Wednesday, March 25, 1874. At the Lincoln Spring meeting to-day the race for the Lincolpshire Haudicap was won by Tomahawk. Oxford Mixture was second, and Shylocks third. Thirty-five horses ran. The betting for the start was 12 to 1 against Tomahawk, 40 to 1 against Oxford Mixture, and 50 to 1 against Shylocks. The following

is a summary:

The Lincoinshire Handicap of 1,000 sovereigns, added to a sweepstakes of 20 sovereigns each, 10 ft., for three-year-olds and upward, the second to receive 100 sovereigns out of the stakes, and the third 30 sovereigns. Mr. F. Swindell's ch. c. Tomahawk, by Thormanby, out of Bathilde, by Stockwell, 3 years old.

1 Mr. Somerville's gr. f. Oxford Mixture, by Oxford, out of Irish Beile, by Kingston, 4 years old.

3 Mr. Sanderson's ch. f. Shylocks, by Cramond, out of Mrs. Garforth, 4 years old.

FOREIGN NOTES.

The Madrid journals report the suspension of further shipments of Carlist prisoners to Cuba, and that an order has been issued for the return of some prisoners to Spain by the next steamer for the purpose of being exchanged.

The Gulf of St. Lawrence is reported full of ice, and there are small prospects of navigation being open as soon as was expected. The weather night before last and resterday was extremely cold for the season, at one time being five degrees below zero.

RELIEF FOR MERCHANTS.

AN EARNEST PROTEST AGAINST REVENUE OUTRAGES.

ENTRUSIASTIC MEETING AT STEINWAY HALL-RE-PORT OF THE SPECIAL COMMITTEE OF THE CHAMBER OF COMMERCE-SPEECHES OF JOSEPH H. CHOATE, THOMAS BARBOUR, JACKSON S. SCHULTZ, S. B. CHITTENDEN. AND OTHERS.

The meeting of merchants held at Steinway Hall ast evening to hear the report of the Special Committee of the New-York Chamber of Commerce on the Reform of the Revenue Laws, though not so largely attended as that of the previous evening at Cooper Institute, when National Finance was the subject of thought, was equally remarkable in character. The floor of the Hall was well filled, and a very large proportion of the andience consisted of merchants and clerks. Deep interest was manifested in the proceedings, and every countenance on the platform and on the floor gave evidence that the subject under consideration was one with which all were familiar and to which they had given much and earnest thought. Among the prominent gentlemen present were:

Cyrus W. Field, William M. Vermilye, Leopold Bierwerth, J. A. Stevens, jr.; James N. Constable, S. B. Ruggles, W. B. Darbour, Daniel C. Robbins, Gustav Schwab, A. A. Low, L. E. Chittenden, Morris K. Jesup, E. C. Cowdin, E. F. Shepard, George H. Lane, S. B. Chittenden, Joseph Seligman, William H. Fogg, Jackson S. Schultz, Ambrose Snow, Samuel Sloan, Joseph Choate, Oliver Hoyt, Jonathan Sturges, Theodore Rosevelt, Jas. S. T. Stranaban, Charles E. Beebee, Charles T. Landon, William Watson, James M. Roosevelt, J. P. Wetherill, William J. Peake, John H. Hall, E. Obelerman, E. Greeff, A. Sclesinger, Adolf Rusch, Henry Winsor, Joseph Grubb, Charles Mali, Henry Sanger, E. Hartt, E. Luckmeyer, James S. Harding. Messrs. Henry Winsor, Joseph Grubb, J. P. Wetherill, and James S. Hand represented the

The meeting was called to order at 8 p. m. by George Opdyke, the First Vice-President of the Chamber of Commerce. He briefly stated the object for which the meeting had been called, and introduced John Austin Stevens, who read the report of the Special Committee of the Chamber of Commerce, the resolution proposed for the consideration of the meeting, and the amended Revenue law proposed by the Joint Committees from the New-York. Boston, and Philadelphia Chambers of Commerce for presentation to Congress. The resolution was unanimously adopted.

Philadelphia Board of Trade.

The Chairman then introduced Joseph H. Choate as an eminent lawyer, who in his professional practice had had opportunities of seeing some of the evils of which the merchants complained. His close incisive arguments were listened to with fixed attention, and the speaker was interrupted with frequent and loud applause. His references to the 'means of extortion which have been placed in the hands of corrupt Custom-house officials and more corrupt informers," and his advice to the merchants to refuse to compromise, and to demand a trial by jury met with a prompt response. He argued strongly against the motety system, by which the plunder taken from the merchants was divided, not only between the Government and Custom-house officers, but so that a part found its way into the pockets of members of Congress, and, hence, shut off redress from the merchant, who might appeal to the Secretary of the Treasury. He demanded that the law giving the right of search and seizure of private papers be stricken from the statute-book, and that nothing be put in its place. In England a man's house, he said, s his castle, into which the king cannot enter. If that was good law in England before the American Revolution, it is good law for free America.

Thomas Barbour, the story of whose wrongs and of whose bold fight against wrongs has been told in THE TRIBUNE, was next introduced. Referring to that statement, as published, he said that it was true, every word of it, and he could prove it.

The Chairman then introduced the Chairman of the Committee on Revenue Reform, "whose courage and ability had done much to create the feeling which pervaded the community on this subject.' Jackson S. Schultz was received with tremendous applause, and his address was interrupted by frequent tokens of enthusiastic approval. The words fell hot from his lips, and the language in which he denounced the "hounds of the Custom-house, and their confederates in Congress, was not chosen for its inoffensive character. As he spoke of "Butler, that honest gentleman," groans and hisses were heard in all parts of the house. He had been attending so much to other people's business recently, he said, and had been acting the spy himself so much, that he was able to tell more about the affairs of some merchants than they knew themselves. His explanation of the reason for Mr. Claflin's satisfaction with the Customhouse management was received with laughter. Mr. Barbour, who had "more courage and backbone than any other man within his knowledge," had fought the Custom-house and beaten it, and yet advised all merchants so situated to settle. If Mr Dodge were present he would probably advise to fight and not to settle. Whichever course a man takes, when he is undergoing "the squeezing process," he will be so hardly used that he will think any other course would have been better. Mr. Schultz resumed his seat amid stamping of feet and cheers.

S. B. Chittenden spoke vigorously for a few mo ments. The only remedy, he thought, was to divorce revenue appointments from politics. Joseph C. Grubb of Philadelphia followed. He considered the smoiety system one of unmitigated plunder. John P. Wetherill of Philadelphia, Mr. Dinsmore and others made brief addresses. The meeting closed about 11 p. m.

THE COMMITTEE'S REPORT.

The Special Committee to which the Chamber of Commerce intrusted the presentation to Congress

The Special Committee to which the Chamber of Commerce intrusted the presentation to Congress of its resolutions on revenue reform respectfully report:

That in obedience to its instructions, and having joined to themselves able counsel, they proceeded to Washington on the 16th day of February. They were there met by a delegation from Boston, also assisted by counsel. A joint plan of action was agreed upon, and the present action of the subject allotted. In response to the request of the Committee of Ways and Means through its chairman, they appeared before that body on the morning of the 17th, when, after short consultation, during which Mr. Dawes, the chairman, stated his inability to be present on account of urgent private business in Massachusetts, the hearing was postponed until Tuesday, the 3d of March.

This arrangement was quite in conformity with the views of your delegation pending the printing of the report of the Secretary of the Treasury upon the fines and forfeitures of the last four years.

The Chamber, as well as the public atjlarge, remember that subsequent to this adjournment a special agent of the Treasury appeared before the Committee of Ways and Means and indulged in violent personal attacks upon merchanis who had suffered from the law and in defamatory aspersions of the mercantic class at large. It is not necessary here to dwell upon this subject nor to give it an undue importance. An allusion is only made to bring out clearly the reason why an application to the Committee of Ways and Means for a change in the revenue system in part drifted into a personal controversy between the informer and his victims. The personal element having, however, been introduced into the controversy it was clearly the ludgment of your clearly the reason why an application to the resolutions with which we were charged by yourselves.

When at list our hearing was had, there were present the Committees of Boston. Philadelphia, Baitimore, and from the National Board of Trade. The case for the merchants was opened

bers of your delegation were also heard and examined in detail, and at the close the centlemen from Philadelphia and Baltimore, and the representative of the National Board, gave their testimony in the same direction, and sustained the demand for a radical change in the varieties.

After careful comparison of views, the delegations had agreed to confine themselves to a demand for five changes in the law. A copy of the printed form which they submitted to the Ways and Means Committee is appended to this Report. They consist, first, of repeal of the law authorizing the seizure of books and papers; second, of that giving moicties to informers and others; third, to limit actions to recover penalties and forietiers on the part of the Government to two years; fourth, to limit all forfeitures to the items of an invoice in which there is fraul; fifth, to render the payment of duties conclusive upon all parties in absence of fraud. The arguments brought forward in support of these various changes are too familiar to the mercantile committy to need any lengthy repetition here. The embarrassment created to merciants by the seizure and detention of their books, arresting their business, infuring filter creatif, without, in caves of innocence, either

barrassment created to merciants by the seizure and detention of their books, arresting their business, injuring libeir credit, without, in caves of innocence, either redress or reparation, is well known. Not so the general low standard of efficial character into which the Custom-house seems to have fallen—a demoralization marked and wide-spread enough to excite the comment and contempt even of the informers who profited by it.

With regard to the system of moieties, it is certain that there is no compensation in the amount of revenue saved to the Government for the general temptation to permit fraud as a source of profit to officials and informers. For it is certain that the interest of each of these classes is rather promoted by a loose administration of the Custom-house than by a severe and strict supervision of the minor officials, which would wholly prevent any infrimement of the laws. It is worthy of remark that a very large proportion of the cases of fraud brought to the notice of the Congressional Committee by the special agent were of collusion between the importer and some Custom-house official—either measurer, weigher, gauger, or ilquidating clerk.

Such frauds as these deserve and should receive severe punishment; but is there any sufficient reason why an exceptional law should be made for that punishment which falls within the penal code. Practically, as admitted by the District-Attorney in his testimony, the fraudulent merchant is fined in large sums while the guilty official has, in no instance of late been brought to justice, or even threatened with suit; and it is further charged by revenue agents themselves that although

the Government at any time within five years. This is manifestly unjust. Even two years is an extraordinary period.

All of the Committees laid great stress upon the limitation of forfeitures to the specific items in when fraud or undervaluation are proven; and asked that the taint should not reach the whole invoice. Perhaps no part of the investigation aroused more interest and diversity of opinion than this. And from this very diversity there grew a disposition on the part of members of the Ways and Means Committee, without reference to preconceived opinions as to free trade or protection, to so amend the tarifflaws as, without affecting this question, to substitute specific for ad valorem duties wherever possible, and to provide a more simple classification of dutiable articles. It is certainly for the interest of the merchant, as well as of the Governmeat, that the distinction between fraudulent misrepresentation and undervaluations perhaps accidental, should be plainly drawn; and the most practical way of establishing such distinction seems to be to render the system of valuation so simple by changes in the classification and by raising the stendard of the Appraiser's Department, as to leave the final settlement of duty to be levied entirely in its hands. Meanwhile, until the law may be radically chanced in this direction, the alterations demanded are necessary and not unreasonable. The public are familiar with the recentprose cases in which millions of dollars have been made liable for irregularities by which the Government only claimed to have suffered damage in the sum of a few hundreds. They need not be further referred to. Lastly, the payment of duties to the conclusive on all parties in absence of fraud. There can be no safety in business on any ofter principle. Bankers will refuse their credits upon bills of lading if there cannot be a day of final settlement; and merchants cannot safety render their accounts if the Government is to claim the right of perpetual revision.

Your Committee were not cha

ourge, that each and every person assailed by name hould have an opportunity of being heard in his de-

fense. Though interested and gratified with the complete and triummant defense of the great house of which the honored President of this Chamber is a member, they did not feel it their duty to take any part therein, and the subject is only here alluded to that they may bear this just witness to the thoroughness of their vindication.

Your Committee are glad to believe that their efforts have not been in vain, and that from the present movement great permanent good is to result.

During the long investigation before the Ways and Means Committee they were gratified beyond measure at the constant, unwavering and patient attention shown by every member of this important body. During sessions occupying several hours of the day and of evening, and covering nearly two weeks at a period when the current business of the House of Representatives demanded careful attention, each and every member gave the same unwearied hearing; and their many and pertinent queries as to matters of detail in the Revenue laws, showed their general resolve to master the subject and

In conclusion, your Committee beg to ask your approval of the definite changes sought by them, supported by which they propose to continue their efforts to obtain the relief so long and patiently waited for.

All of which is respectfully submitted. For the Committee,

RESOLUTIONS.

RESOLUTIONS.

Resolved, That the Chamber of Commerce and the merchants of New-York, in concert with them, wholly and heartily approve and indorse the changes in the Revenue laws asked for by the representatives of the mercantle interests of the great commercial cities, and earnestly urge upon the Ways and Means Committee of the House of Representatives to report a bill in conformity thereto without unnecessary delay.

FROPOSED RENNUE LAW.

Forfeitures limited to items in relation to which fraud is committed.

Forfettives timited to teems in remained to the collection of dates on import and tomage," approved March 2, 1799; and slee of an act entitled. "An act to regulate the collection of dates on imports and tomage," approved March 2, 1799; and slee of an act entitled. "An act to prevent and punish frauds upon the evenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," approved March 3, 1893.

That nothing contained in the 66th section of the act contained the collection of duties on important the collection of duties on important the collection of duties on im-That nothing contained in the 66th section of the act enthed "An act to regulate the collection of duties on imports and tonnage," approved March 2, 1799, or in the 9th
section of the act entitled "An act to protect the revenue
and for other purposes," approved July 28, 1866, or in
any law of the United States, shall be so construed as
to forfest an entire invoice or entry of goods, wares, and
merchandise, or the value or double value thereof, in
consequence of any fraud, undervaluation, or other unlawful act in relation to any item or items in such invoice or entry, or in relation to any item or items of
commission, brokerage, freight, sack, box, or covering,
or other charge or charges on such invoice, or on any or other charge or charges on such invoice, or on any

commission, brokerige, freight, sack, box, of covering, or other charge or charges on such involce, or on any part or parts thereof; but such forfeiture or penalty shall apply only to the single item or items of goods, wares, and merchandise, or the value thereof, or to the amount of the single item or items of goods, wares, and merchandise, or in relation to which duties shall not have been paid, or in relation to which such fraud, undervaluation, or other unlawful act shall have been committed.

Payment of Duties, in Absence of Fraud. Conclusive. That whenever any goods, wares, and merchandise shall have been entered and passed free of duty, and whenever duties upon any imported goods, wares, and merchandise shall have been liquidated and paid, and such goods, wares, and merchandise shall have been delivered to the owner, importer, agent, or consignee, such entry and passage free of duty, and such goods, wares, and merchandise shall have been delivered to the owner, importer, agent, or consignee, such entry and passage free of duty, and such settlement of duties, shall, in the absence of fraud, and in the absence of protest by the owner, importer, agent, or consignee, such entry and passage free of duty, and such settlement of duties, shall, in the absence of fraud, and in the absence of protest by the owner, importer, agent, or consignee, such for put and passage free of duty, and such settlement of duties, shall, in the absence of fraud, and in the absence of protest by the owner, importer, agent, or consignee, such the customs, shall, in the absence of fraud, and in the absence of protest by the owner, importer, agent, or consignee, such settlement of duties, shall, and the absence of fraud, and for the protects of fines, penalties, and forfeitures tucurred under the laws relating to the customs, and for other purposes," approved July 18, 1865, are hereby repealed.

All laws of the United States giving, providing, distributing, or allowing to informers and Others.

All laws of the United States giving unde

BAD LAWS BADLY ADMINISTERED.

Speech of Joseph H. Choas MR. CHAIRMAN AND GENTLEMEN: It really

loes seem, when we see that the Chamber of Commerce. the organized representative of the great commercial interests of New-York, has taken this matter in hand and volunteered their services and pledged themselves to carry through, as we have heard by the report that has just been read—it does seem that at last the reign of terror under which the merchants of New-York have so ong suffered, and to which some of the strongest and pest of them have succumbed, was at last about to be broken. And, for one of another profession, I think that the merchants can be most warmly congratulated on by during the last ten or twelve years, since the passage of this noted law of 1869, and seen how it has been perverted into a weapon of offense and destruction to the bonest importer and the unoffending merchant, cannot

but express! gratification and pride that at last they have been aroused to a sense of their own dangers, and have taken their own vindication in their own hands. For, gentlemen, after all you may say againthe informers and the revenue officers, I contend that the merchants of this city, the importers of this country have chiefly themselves to thank for the oppression with which they have been pursued, and the tyranny that in his matter has been exercised over them. [Applause] You won't see any more of revenue oppression, of exortion on the part of the Government and the Customhouse officers, when once it is understood that the merhem, dare to maintain them. [Applause.] Who that has looked into this matter does not know realize that it is the quiet submission of the importers that has brought upon them the attacks of the informers and the extertioners I Why, gentlemen, every honest merchant who has paid tribute of \$1,000, or \$55,000, or \$10,000 to the Government to stifle and avoid inquiry has invited similar attacks, to be pressed with remorseless energy and the same re-sults upon ten or twenty other merchants as honest as himself. "Who would be free"—it is an old maxim that "Who would be free themselves must strike the blow." And if the merchants and importers only understood that this matter is in their own hands, their grievances will vanish almost as soon as they are stated. Now, what is it that they demand of the Government ! What s it that they ought to demand of the Government Not certainly that any of the rights of the Government shall be given up and conceded to them; not that any of the necessary safeguards for the protection and collecection of the revenue shall be abandoned; not that an due and adequate compensation even to informers, so far as shall be necessary to secure the detection of the guilty and the execution of the laws, shall not be allowed. No, none of these things have they sought and none of them will they seek. What they ask is that the chant and man of common sense can understand them. [Applause.] That is a right that has never been conceded to them for the last fifty years. [Applause.] Let me read you what one or two of the very highest authorities on

Trensury, in a very late report to Congress, says this.

There is often a direct conflict between different statutes, san or cleanly between two or more provisions of the same statute, and sin provisions are frequently held to enthress different meaning. It differences can be satisfied only by arbitrary interpretation or by sajing ion in Congress One of the Judges of the Supreme Court of the United

I think that from a very considerable experience in these matters and the state of the laws, I can say with safety that there is not a single importer in the City of New-York, that there is not a single member of Comgot an invoice of goods arrived off the Battery to be entered at the Custom-house, with the laws that are new

in force from the beginning until now, who could make an entry of those goods at the Custom-house and rought an entry of those goods at the Custom-house and rought an entry of those goods at the Custom-house and rought an entry of those goods at the Custom-house and rought and another the part of the grantlet of the District Court. (Applause.)

Well, that is one thing they want. Another thing they want is this, that they shall be placed in such an attitude before the law that they can understand their rights and their duties, and be properly taken care of themselves; that these extraordinary means of extortion and these still more extraordinary means of extortion and these out [applause]; that they shall have the right to their old-fashioned trial by jury when charged with fraud [applause]; and that their nonics and their counting-rooms shall not be invaded by a minimo of the law or of the Custom-house for the purpose of searching their books and their papers, to see if therein can be found become cause for accusation against them. [Applause.]

Now, nobody can pretend that the complaints which have been made of false by the necreantile community are imaginary while the actual cases of oppression and extortion which have come to the knowledge of the whole community, which have startled the people from one end of the country to the other, and at last have reached, what it was almost impossible to expect it is have reached, what it was almost impossible to expect it is have reached, what it was almost impossible to expect it is have reached, what it was almost impossible to expect it is have reached, what it was almost impossible to expect it is have reached, what it was almost impossible to expect it is have reached, what it was almost impossible t

RADICAL DEFECTS OF THE LAW. Now, what are the chief controlling vices of the revme laws which the merchants seek to have corrected ? ew moments which the partiality of the Committee has

assigned to me, viz.: the vices in the laws themselves, and covering nearly two weeks at a period when the current business of the House of Representatives demanded careful attention, each and every member gave the same unwearied hearing; and their many and perinent queries as to matters of detail in the Revenue laws, showed their general resolve to master the subject and provide such legislation as shall redress the grievances complained of, while not neglecting the sefety of the Revenue. For the many matances of personal kindness and coursesy on the part of the officers and members, your Committee will be ever grateful. Not the least pleasing part of this experience was the entire freedom from political or partisan feeling in the course of the investigation. All seemed animated by the same laudable motive: the prosperity and good of the country.

In conclusion, your Committee beg to ask your approval of the definite changes sought by them, supported other half is divided, one-half of it to the informer was brings forward the information of the other oflense, at it the other half among certain revenue offlense who are supposed to be specially characel with the preferring of the Government in the collection of daths. Well, now, it so happens that the amount of the data bright of the method of distribution reaches every officer, who ought to stand between the merchant and an alternative work that under the disguise of an enforcement of the wrong him under the disguise of an enforcement of the wrong him under the disguise of an enforcement of the merchant. All we can ask is that it should be rannoust informer, if such a mirroir can appear in this day. [Applause.] But when it comes to giving the Collector, the Naval Officer, and the surveyor, each obsistith of everything that is forfeited to the Government, so as to swell the aggregate incomes of those gentlement to an almost unknown amount—something like \$100,000 a year apiece—why the injustice of it, the encountry of it, does not need any argument to display. And then even the District-Autoriey, in whose judical judgments I might say it rests to say whether the prosecution shall proceed or not, even he is to receive a percentage of the spoils. Well, if it went no further than that, it would not go further than the law allows; but roccur investigations tend to show that even these percentages are subdivided, and under the form of counsel fees flud their way into the peckets of influential members of Congress (appause), so that if an unbappy merchant, struck by an injust informer, should think that he might seek relief at Washington in the office of the Secretary of the Treasury, he would find a busy member of Congress who was interested in his conviction there before him, and was a whispering his malbelous instantions into the cars of the chief officer of the revenue. [Applause.]

COMPLICATION OF STATUTES. Well, then, what is the next thing! Why, the next thing is this complication of the laws of which I have upon law, regulation upon regulation, construction upor construction, until at last they have got a legal muddle which I say it would puzzie even a Philadelphia lawyer to investigate. [Cheers.]

which I say it would puzzie even a Philadeliphia hawyer to investigate. [Cheers.]

And yet they expect a plain and honest merchant to be able to unravel all these intricacies which a whole century of legislatures have been at work in contriving. They expect a plain, honest merchant to unravel them all and make his entry in manner and form as all these complicated laws direct. Facen there are other great covies, the have heard of them all in the great cases that have recently been made so public. If you have an invoice of \$25,000 or \$10,000, composed of 25 or 30 items, and there is an undervaination in one, however little intended, however accidentally occurring, why, the whole is forfeited, if one item of it is wrong. [Applause.] What an outrage that is, gentlemen, upon common sense, upon common justice! And finally, on the evils of the law, there is what I may call the theory—for it is a new theory—of technical forfeitare, the administration in court of a system of constructive frami which never ought to have been thought of in the administration of revenue laws, [Cheers.] I mean to say that there are laws upon the statute-books which the courts feel bound to construe in such a manner as to condemna merchant, who is confessedly honest, because of some accidental omission or some accidental inaccaracy in his invoice or his entry, for the complicated certificates and oaths which the law and the regulations require to be attached to the entry. Now about that there can be no mistake. There have been repeated instances of merchants goods condemned for such technical forfeitures as they are called, such constructive frants as the contra construe them, when the merchant stood ready with his witnesses to prove that it was purely secidental, a wholy innoc-ut mistake, and he was not allowed to offer that evidence even when the jury stood upon the other side ready and anxious to acquit him. [Applause.]

Now these, gentiemen, are some of the evils of which merchants compliain in the law itself. How they violate the first to investigate. [Cheers.]
And yet they expect a plain and honest merchant to be able to unrayel all these intricacies which a whole

SEIZURES OF BOOKS AND PAPERA

I will now come to that great engine of oppression which the law has placed-or which Congress has placed tu the hands of these revenue officers and informers. I mean the Act of 1863, which has provided so well fur the seizure of books and papers. I believe that the werchants of New-York, the Chamber of Commerce, and

Bee Seventh Page